Side-by-side comparison of 23 CFR 710 Subpart E—Property Acquisition Alternatives

Old Rule	Updated (New) Rule
§ 710.501 Early acquisition.	§ 710.501 Early acquisition.
(a) Real property acquisition. The State may initiate acquisition of real property at any time it has the legal authority to do so based on program or project considerations. The State may undertake early acquisition for corridor preservation, access management, or other purposes.	(a) General. A State agency may initiate acquisition of real property interests for a proposed transportation project at any time it has the legal authority to do so. The State agency may undertake Early Acquisition Projects before the completion of the environmental review process for the proposed transportation project for corridor preservation, access management, or other purposes. Subject to the requirements in this section, State agencies may fund Early Acquisition Project costs entirely with State funds with no title 23 participation; use State funds initially but seek title 23 credit or reimbursement when the acquired property is incorporated into a transportation project eligible for Federal surface transportation program funds; or use the normal Federal-aid project agreement and reimbursement process to fund an Early Acquisition Project pursuant to paragraph (e) of this section. The early acquisition of a real property interest under this section shall be carried out in compliance with all requirements applicable to the acquisition of real property interests for federally assisted transportation projects.
(b) Eligible costs. Acquisition costs incurred by a State agency prior to executing a project agreement with the FHWA are not eligible for Federal-aid reimbursement. However, such costs may become eligible for use as a credit towards the State's share of a Federal-aid project if the following conditions are met:	(b) State-funded early acquisition without Federal credit or reimbursement. A State agency may carry out early acquisition entirely at its expense and later incorporate the acquired real property into a transportation project or program for which the State agency receives Federal financial assistance or other Federal approval under title 23 for other transportation project activities. In order to maintain eligibility for future Federal assistance on the project, early acquisition activities funded entirely without Federal participation must comply with the requirements of §§ 710.501(c)(1) through (5). (c) State-funded early acquisition eligible for future credit. Subject to § 710.203(b) (direct eligible costs), § 710.505(b), and § 710.507 (State and local contributions), Early Acquisition Project costs incurred by a State agency at its own expense prior to completion of the environmental review process for a proposed transportation project are eligible for use as a credit toward the non-Federal share of the total project costs if the project receives surface transportation program funds, and if the following conditions are met:
(1) The property was lawfully obtained by the State;	(1) The property was lawfully obtained by the State agency;
(2) The property was not land described in 23 U.S.C. 138;	(2) The property was not land described in 23 U.S.C. 138;
(3) The property was acquired in accordance with the provisions of 49 CFR part 24;	(3) The property was acquired, and any relocations were carried out, in accordance with the provisions of the Uniform Act and regulations in 49 CFR part 24;
(4) The State complied with the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4);	(4) The State agency complied with the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d–2000d–4)

(5) The State determined and the FHWA concurs that the action taken did not influence the environmental assessment for the project, including: (i) The decision on need to construct the project; (ii) The consideration of alternatives; and (iii) The selection of the design or location; and	(5) The State agency determined, and FHWA concurred, the early acquisition did not influence the environmental review process for the proposed transportation project, including: (i) The decision on need to construct the proposed transportation project; (ii) The consideration of any alternatives for the proposed transportation project required by applicable law; and (iii) The selection of the design or location for the proposed transportation project; and
(7) The original project agreement covering the project was executed on or after June 9, 1998.	transportation program funds are received and to which the credit will be applied.
(c) Reimbursement. In addition to meeting all provisions in paragraph (b) of this section, the FHWA approval for reimbursement for early acquisition costs, including costs associated with displacement of owners or tenants, requires the STD to demonstrate that: (1) Prior to acquisition, the STD made the certifications and determinations required by 23 U.S.C. 108(c)(2)(C) and (D); and	(d) State-funded early acquisition eligible for future reimbursement. Early Acquisition Project costs incurred by a State agency prior to completion of the environmental review process for the transportation project are eligible for reimbursement from title 23 funds apportioned to the State once the real property interests are incorporated into a project eligible for surface transportation program funds if the State agency demonstrates, and FHWA concurs, that the terms and conditions specified in the requirements of § 710.501(c)(1)-(5), and the requirements of § 710.203(b) (direct eligible costs) have been met. The State agency must demonstrate that it has met the following requirements, as set forth in 23 U.S.C. 108(c)(3): (1) any land acquired, and relocation assistance provided, complied with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; (2) the requirements of title VI of the Civil Rights Act of 1964 have been complied with; (3) the State has a mandatory comprehensive and coordinated land use, environment, and transportation planning process under State law and the acquisition is certified by the Governor as consistent with the State plans before the acquisition; (4) the acquisition is determined in advance by the Governor to be consistent with the State transportation planning process pursuant to 23 U.S.C. 135; (5) the alternative for which the real property interest is acquired is selected by the State pursuant to regulations to be issued by the Secretary which provide for the consideration of the environmental impacts of various alternatives; (6) before the time that the cost incurred by a State is approved for Federal participation, environmental compliance pursuant to the National Environmental Policy Act has been completed for the project for which the real

(2) The STD obtained concurrence from the Environmental	property interest was acquired by the State, and the acquisition has been approved by the Secretary under this Act, and in compliance with section 303 of title 49, section 7 of the Endangered Species Act, and all other applicable environmental laws that shall be identified by the Secretary in regulations; and (7) before the time that the cost incurred by a State is approved for Federal participation, the Secretary has determined that the property acquired in advance of Federal approval or authorization did not influence the environmental assessment of the project, the decision relative to the need to construct the project, or the selection of the project design or location.
Protection Agency in the findings made under paragraph (b)(5) of this section regarding the NEPA process.	
	(e) Federally funded early acquisition. The FHWA may authorize the use of funds apportioned to a State under title 23 for an Early Acquisition Project if the State agency certifies, and FHWA concurs, that all of the following conditions have been met: (1) The State has authority to acquire the real property interest under State law; and (2) The acquisition of the real property interest — (i) is for a transportation project or program eligible for funding under title 23 that will not require FHWA approval under 23 CFR 774.3; (ii) will not cause any significant adverse environmental impacts either as a result of the Early Acquisition Project or from cumulative effects of multiple Early Acquisition Projects carried out under this section in connection with a proposed transportation project; (iii) will not limit the choice of reasonable alternatives for a proposed transportation project or otherwise influence the decision of FHWA on any approval required for a proposed transportation project; (iv) will not prevent the lead agency from making an impartial decision as to whether to accept an alternative that is being considered in the environmental review process for a proposed transportation project; (v) is consistent with the State transportation planning process under 23 U.S.C. 135; (vi) complies with other applicable Federal laws (including regulations); (vii) will be acquired through negotiation, without the threat of, or use of, condemnation; and (viii) will not result in a reduction or elimination of benefits or assistance to a displaced person required by the Uniform Act and title VI of the Civil Rights Act of 1964(42 U.S.C. § 2000d et seq.). (3) The Early Acquisition Project is included as a project in an applicable

transportation improvement program under 23 U.S.C. 134 and 135 and 49 U.S.C. 5303 and 5304.

- (4) The environmental review process for the Early Acquisition Project is complete and FHWA has approved the Early Acquisition Project. Pursuant to 23 U.S.C. 108(d)(4)(B), the Early Acquisition Project is deemed to have independent utility for purposes of the environmental review process under NEPA. When the Early Acquisition Project may result in a change to the use or character of the real property interest prior to the completion of the environmental review process for the proposed transportation project, the NEPA evaluation for the Early Acquisition Project must consider whether the change has the potential to cause a significant environmental impact as defined in 40 CFR 1508.27, including a significant adverse impact within the meaning of paragraph (e)(2)(iii). The Early Acquisition Project must comply with all applicable environmental laws.
- (f) *Prohibited Activities*. Except as provided in this paragraph, real property interests acquired under paragraph (e) of this section and pursuant to 23 U.S.C. 108(d) cannot be developed in anticipation of a transportation project until all required environmental reviews for the transportation project have been completed. For the purpose of this paragraph, "development in anticipation of a transportation project" means any activity related to demolition, site preparation, or construction that is not necessary to protect public health or safety. With prior FHWA approval, a State agency may carry out limited activities necessary for securing real property interests acquired as part of an Early Acquisition Project, such as limited clearing and demolition activity, if the activities are necessary to protect the public health or safety and are considered during the environmental review of the Early Acquisition Project.
- (g) Reimbursement. If Federal-aid reimbursement is made for real property interests acquired early under this section and the real property interests are not subsequently incorporated into a project eligible for surface transportation funds within the time allowed by 23 U.S.C. 108 (a)(2), FHWA must offset the amount reimbursed against funds apportioned to the State.
- (h) Relocation Assistance Eligibility. In the case of an Early Acquisition Project, a person is considered to be displaced when required to move from the real property as a direct result of a binding written agreement for the purchase of the real property interest(s) between the acquiring agency and the property owner. Options to purchase and similar agreements used for Early Acquisition Projects that give the acquiring agency a right to prevent new development or to decide in the future whether to acquire the real property interest(s), but do not create an immediate commitment by the acquiring agency to acquire and do not require an owner or tenant to relocate, do not create relocation eligibility until the acquiring agency legally commits itself to acquiring the real property interest(s).

§ 710.503 Protective buying and hardship acquisition.	§ 710.503 Protective buying and hardship acquisition.
(a) General conditions. Prior to the STD obtaining final	(a) General conditions. Prior to final environmental approval of a
environmental approval, the STD may request FHWA agreement to provide	transportation project, the grantee may request FHWA agreement to provide
reimbursement for advance acquisition of a particular parcel or a limited	reimbursement for advance acquisition of a particular parcel or a limited number of
number of parcels, to prevent imminent development and increased costs on	parcels, to prevent imminent development and increased costs on the preferred
the preferred location (Protective Buying), or to alleviate hardship to a	location (Protective Buying), or to alleviate hardship to a property owner or owners
property owner or owners on the preferred location (Hardship Acquisition),	on the preferred location (Hardship Acquisition), provided the following conditions
provided the following conditions are met:	are met:
(1) The project is included in the currently approved STIP;	(1) The transportation project is included in the currently approved STIP;
(2) The STD has complied with applicable public involvement	(2) The grantee has complied with applicable public involvement
requirements in 23 CFR parts 450 and 771;	requirements in 23 CFR parts 450 and 771;
(3) A determination has been completed for any property subject to	(3) A determination has been completed for any property interest subject
the provisions of 23 U.S.C. 138; and	to the provisions of 23 U.S.C. 138; and
(4) Procedures of the Advisory Council on Historic Preservation are	(4) Procedures of the Advisory Council on Historic Preservation are
completed for properties subject to 16 U.S.C. 470(f) (historic properties).	completed for properties subject to 16 U.S.C. 470(f) (historic properties).
(b) Protective buying. The STD must clearly demonstrate that	(b) Protective buying. The grantee must clearly demonstrate that
development of the property is imminent and such development would limit	development of the property is imminent and such development would limit future
future transportation choices. A significant increase in cost may be considered	transportation choices. A significant increase in cost may be considered as an
as an element justifying a protective purchase.	element justifying a protective purchase.
(c) Hardship acquisitions. The STD must accept and concur in a	(c) Hardship acquisitions. The grantee must accept and concur in an
request for a hardship acquisition based on a property owner's written	owner's request for a hardship acquisition based on a property owner's written
submission that:	submission that -
(1) Supports the hardship acquisition by providing justification, on	(1) supports the hardship acquisition by providing justification, on the
the basis of health, safety or financial reasons, that remaining in the property	basis of health, safety or financial reasons, that remaining in the property poses an
poses an undue hardship compared to others; and	undue hardship compared to other property owners; and
(2) Documents an inability to sell the property because of the	(2) documents an inability to sell the property because of the impending
impending project, at fair market value, within a time period that is typical for	project, at fair market value, within a time period that is typical for properties not
properties not impacted by the impending project.	impacted by the impending project.
(d) Environmental decisions. Acquisition of property under this	(d) Environmental decisions. Acquisition of property under this section is
section shall not influence the environmental assessment of a project,	subject to environmental review under part 771. Acquisitions under this section
including the decision relative to the need to construct the project or the	shall not influence the environmental review of a transportation project which
selection of a specific location.	would use the property, including decisions about the need to construct the
	transportation project or the selection of an alternative.
§ 710.505 Real property donations.	§ 710.505 Real property donations.
(a) Donations of property being acquired. A non-governmental	(a) Donations of property being acquired. A non-governmental owner
owner whose real property is required for a Federal-aid project may donate	whose real property is required for a title 23 project may donate the property.
the property to the STD. Prior to accepting the property, the owner must be	Donations may be made at any time during the development of a project subject to
informed by the agency of his/her right to receive just compensation for the	applicable state laws. Prior to accepting the property, the owner must be informed
property. The owner shall also be informed of his/her right to an appraisal of	in writing by the acquiring agency of his/her right to receive just compensation for
property. The owner shall also be informed of his/her right to an appraisal of	in writing by the acquiring agency of his/her right to receive just compensation for

the property by a qualified appraiser, unless the STD determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the fair market value is estimated at no more than \$2500, or the State appraisal waiver limit approved by the FHWA, whichever is greater. All donations of property received prior to the approval of the NEPA document must meet environmental requirements as specified in 23 U.S.C. 323(d). (b) Credit for donations. Donations of real property may be credited	the property, the right to an appraisal or waiver valuation of the real property, and of all other applicable financial and non-financial assistance provided under 49 CFR part 24 and applicable State law. All donations of property received prior to the approval of the NEPA document for the project must meet the requirements specified in 23 U.S.C. 323(d). (b) Credit for donations. Donations of real property may be credited to the
to the State's matching share of the project. Credit to the State's matching share for donated property shall be based on fair market value established on the earlier of the following: either the date on which the donation becomes effective, or the date on which equitable title to the property vests in the State. The fair market value shall not include increases or decreases in value caused by the project. Donations may be made at anytime during the development of a project. The STD shall develop sufficient documentation to indicate compliance with paragraph (a) of this section and to support the amount of credit applied. The total credit cannot exceed the State's pro-rata share under the project agreement to which it is applied. (c) Donations and conveyances in exchange for construction features or services. A property owner may donate property in exchange for construction features or services. The value of the donation is limited to the fair market value of property donated less the cost of the construction	State's matching share of the project in accordance with 23 U.S.C. 323. As required by 23 U.S.C. 323(b)(2), credit to the State's matching share for donated property shall be based on fair market value established on the earlier of the following: either the date on which the donation becomes effective, or the date on which equitable title to the property vests in the State. The fair market value shall not include increases or decreases in value caused by the project. The grantee shall ensure sufficient documentation is developed to indicate compliance with paragraph (a) of this section and with the provisions of 23 U.S.C. 323, and to support the amount of credit applied. The total credit cannot exceed the State's pro-rata share under the project agreement to which it is applied. (c) Donations and conveyances in exchange for construction features or services. A property owner may donate property in exchange for construction features or services. The value of the donation is limited to the fair market value of property donated less the cost of the construction features or services. If the value
features or services. If the value of the donated property exceeds the cost of the construction features or services, the difference may be eligible for a credit to the State's share of project costs.	of the donated property exceeds the cost of the construction features or services, the difference may be eligible for a credit to the State's share of project costs.
(a) General. Real property owned by State and local governments incorporated within a federally funded project can be used as a credit toward the State matching share of total project cost. A credit cannot exceed the State's matching share required by the project agreement. (b) Effective date. Credits can be applied to projects where the initial project agreement is executed after June 9, 1998.	§ 710.507 State and local contributions.
(c) Exemptions. Credits are not available for lands acquired with any form of Federal financial assistance, or for lands already incorporated and used for transportation purposes.	(See § 710.507(b))
(d) State contributions. Real property acquired with State funds and required for federally-assisted projects may support a credit toward the non-Federal share of project costs. The STD must prepare documentation	(a) Credit for State and local government contributions. If the requirements of 23 U.S.C. 323 are met, real property owned by State and local governments that is incorporated within a project receiving financial assistance

supporting all credits including:	from the Highway Trust Fund can be used as a credit toward the grantee or subgrantee's matching share of total project cost. A credit cannot exceed the grantee or subgrantee's matching share required by the project agreement. The grantee must ensure there is documentation supporting all credits, including the following:
(1) A certification that the acquisition satisfied the conditions in 23 CFR 710.501(b); and	(1) A certification that the State or local government acquisition satisfied the conditions in 23 CFR 710.501(c)(1) through (6); and
(2) Justification of the value of credit applied. Acquisition costs	(2) Justification of the value of credit applied. Acquisition costs incurred
incurred by the State to acquire title can be used as justification for the value	by the State or local government to acquire title can be used as justification for the
of the real property.	value of the real property.
	(b) Exemptions. Credits are not available for real property acquired with any form of Federal financial assistance except as provided in 23 U.S.C. 120(j), or for real property already incorporated into existing ROW and used for transportation purposes.
(e) Credit for local government contributions. A contribution by a	(c) Contributions without credit. Property may be presented for project
unit of local government of real property which is offered for credit, in	use with the understanding that no credit for its use is sought. In such case, the
connection with a project eligible for assistance under this title, shall be	grantee shall assure that the acquisition satisfied the conditions in 23 CFR
credited against the State share of the project at fair market value of the real	710.501(c)(1) through (6).
property. Property may also be presented for project use with the	
understanding that no credit for its use is sought. The STD shall assure that	
the acquisition satisfied the conditions in 23 CFR 710.501(b), and that	
documentation justifies the amount of the credit.	
§ 710.509 Functional replacement of real property in public ownership.	§ 710.509 Functional replacement of real property in public ownership.
(a) General. When publicly owned real property, including land	(a) General. When publicly owned real property, including land and/or
and/or facilities, is to be acquired for a Federal-aid highway project, in lieu of	facilities, is to be acquired for a project receiving grant funds under title 23, in lieu
paying the fair market value for the real property, the State may provide	of paying the fair market value for the real property, the acquiring agency may
compensation by functionally replacing the publicly owned real property with	provide compensation by functionally replacing the publicly owned real property
another facility which will provide equivalent utility.	with another facility that will provide equivalent utility.
(b) Federal participation. Federal-aid funds may participate in	(b) Federal participation. Federal-aid funds may participate in functional
functional replacement costs only if:	replacement costs only if the following conditions are met:
(1) Functional replacement is permitted under State law and the STD	(1) Functional replacement is permitted under State law and the acquiring
elects to provide it.	agency elects to provide it;
(2) The property in question is in public ownership and use.	(2) The property in question is in public ownership and use;
(3) The replacement facility will be in public ownership and will	(3) The replacement facility will be in public ownership and will continue
continue the public use function of the acquired facility.	the public use function of the acquired facility;
(4) The State has informed the agency owning the property of its	(4) The acquiring agency has informed, in writing, the public entity owning
right to an estimate of just compensation based on an appraisal of fair market	the property of its right to an estimate of just compensation based on an appraisal
value and of the option to choose either just compensation or functional	of fair market value and of the option to choose either just compensation or
replacement.	functional replacement;
(5) The FHWA concurs in the STD determination that functional	(5) The FHWA concurs in the acquiring agency determination that

ctional replacement is in the public interest; and (6) The real property is not owned by a utility or railroad.
(6) The real property is not owned by a utility or railroad
(a)a real property is not officed by a definity of ramoda.
(c) Federal land transfers. Use of this section for functional replacement
eal property in Federal ownership shall be in accordance with Federal land
sfer provisions in subpart F of this part.
(d) Limits upon participation. Federal-aid participation in the costs of
ctional replacement is limited to costs that are actually incurred in the
acement of the acquired land and/or facility and are -
(1) costs for facilities that do not represent increases in capacity or
erments, except for those necessary to replace utilities, to meet legal,
ulatory, or similar requirements, or to meet reasonable prevailing standards;
(2) costs for land to provide a site for the replacement facility.
(e) Procedures. When a grantee determines that payments providing for
ctional replacement of public facilities are allowable under State law, the
ntee will incorporate within its approved ROW manual, or approved RAMP, full
cedures covering review and oversight that will be applied to such cases.
§ 710.511 Transportation Alternatives Program.
(a) General. 23 U.S.C. 133(h) sets aside an amount from each State's
ace Transportation Block Grant apportionment for Transportation Alternatives
. The TA projects that involve the acquisition, management, and disposition of
property, and the relocation of families, individuals, and businesses, are
erned by the general requirements of the Federal-aid program found in titles 23
49 of the CFR, except as specified in paragraph (b)(2) of this section.
(b) Requirements.
(1) Acquisition and relocation activities for TA projects are subject to the
form Act.
(2) When a person or agency acquires real property for a project receiving
23 grant funds on behalf of an acquiring agency with eminent domain
nority, the requirements of the Uniform Act apply as if the acquiring agency had
uired the property itself.
(3) When, subsequent to Federal approval of property acquisition, a
son or agency acquires real property for a project receiving title 23 grant funds,
there will be no use or recourse to the power of eminent domain, the limited
uirements of 49 CFR 24.101(b)(2) apply.
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(4) The requirements of the Uniform Act do not apply when real property acquired for a TEA was purchased from a third party by a qualified conservation organization, and— (i) The conservation organization is not acting on behalf of the agency receiving TEA or other Federal-aid funds, and (ii) There was no Federal approval of property acquisition prior to the involvement of the conservation organization. ["Federal approval of property acquisition" means the date of the approval of the environmental document or project authorization/agreement, whichever is earlier. "Involvement of the conservation organization" means the date the organization makes a legally binding offer to acquire a real property interest, including an option to purchase, in the property.] (5) When a qualified conservation organization acquires real property for a project receiving Federal-aid highway funds on behalf of an agency with eminent domain authority, the requirements of the Uniform Act apply as if the agency had acquired the property itself. (6) When, subsequent to Federal approval of property acquisition, a qualified conservation organization acquires real property for a project receiving Federal-aid highway funds, and there will be no use or recourse to the power of eminent domain, the limited requirements of 49 CFR 24.101(a)(2) apply. (c) Property management. Real property acquired with TEA funds (c) Property management and disposal of property acquired for TA shall be managed in accordance with the property management requirements projects. Subpart D of this part applies to the management and disposal of real provided in subpart D of this part. Any use of the property for purposes other property interests acquired with TA funds, including alternate uses authorized than that for which the TEA funds were provided must be consistent with the under ROW use agreements. A TA project involving acquisition of any real property continuation of the original use. When the original use of the real property is interest must have a TA property agreement between FHWA and the grantee that converted by sale or lease to another use inconsistent with the original use, identifies the expected useful life of the TA project and establishes a pro rata the STD shall assure that the fair market value or rent is charged and the formula for repayment of TA funding by the grantee if proceeds reapplied to projects eligible under title 23 of the United States (1) the acquired real property interest is used in whole or in part for purposes other than the TA project purposes for which it was acquired; or Code. (2) the actual TA project life is less than the expected useful life specified in the TA property agreement. § 710.513 Environmental mitigation. (a) The acquisition and maintenance of land for wetlands mitigation, wetlands banking, natural habitat, or other appropriate environmental mitigation is an eligible cost under the Federal-aid program. FHWA participation in wetland mitigation sites and other mitigation banks is

governed by 23 CFR part 777.

(b) Environmental acquisitions or displacements by both public
agencies and private parties are covered by the Uniform Act when they are
the result of a program or project undertaken by a Federal agency or one that
receives Federal financial assistance. This includes real property acquired for a
wetland bank, or other environmentally related purpose, if it is to be used to
mitigate impacts created by a Federal-aid highway project.